

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Heaven Hill Distilleries, Inc.

Kentucky Manufacturing Assistance Center

Heaven Hill Distilleries Cooks Up Lean Success

Client Profile:

Heaven Hill Distilleries, Inc., founded in 1935, is the nation's largest independent, family-owned producer and marketer of distilled spirits. Based in Bardstown, Kentucky, it is the second largest producer of bourbon whiskey in the world. Some 250 skilled craftspeople produce Heaven Hill's diversified portfolio of brands, including the full line of The Christian Brothers Brandies, Evan Williams Kentucky Straight Bourbon Whiskey, Elijah Craig 12-Year-Old Bourbon Whiskey, Burnett's Gin & Vodka, Cluny Scotch, Two Fingers Tequila, Irish whiskeys, Canadian whiskies, and more.

Situation:

Heaven Hill Distilleries' managers wanted to retain and improve the company's competitive position by implementing continuous improvement practices at all levels of the organization. Among their goals, they wanted to create a new culture of employee involvement and ownership that would result in reduced costs, increased capacity, and higher levels of customer satisfaction. Heaven Hill Distilleries contacted the Kentucky Manufacturing Assistance Center (KMAC), a NIST MEP network affiliate, for help.

Solution:

KMAC provided Heaven Hill Distilleries with a comprehensive continuous improvement program designed to increase the capacity and responsiveness of Heaven Hill's manufacturing operations while reducing operating costs. The extensive program included the hands-on delivery of all lean workshops including: Lean 101, Simulation, Workplace Organization, Total Productive Maintenance, Set-up Reduction, Value Stream Mapping, Cellular/Flow Manufacturing, and the Kaizen Blitz. These skill sets helped the company identify and eliminate waste and inefficiency from its processes, resulting in considerable cost savings and improved competitive positioning.

Results:

- Created 2 new jobs.
- Retained sales of \$2.5 million.
- Saved \$500,000 in labor, materials, energy, and overhead.
- Reduced lead time and defect rate.
- Increased inventory turns.

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Improved employee skills and environment.
Improved profit margin.
Improved customer satisfaction.
Increased market share.
Improved competitive position.

Testimonial:

"We are very satisfied with the Kentucky Manufacturing Assistance Center's quality of service and would definitely use their services again. Besides being very knowledgeable and experienced, they interacted well with our personnel at all levels. We now are more effective, have happier and more involved employees, a safer environment, and improved quality. These are keys to being more competitive."

Allan Latts, Director of Corporate Planning